

Response from a Virgin Australia spokesman

What guarantees can you give Virgin staff that the 750 job cuts already announced are not the start of more job losses to come?

We announced a target to be upfront from the outset about the scale of workforce changes, which was a target reduction of 750 roles, or \$75 million in cost savings. We have no further plans to announce any more reductions, however we will continue to look at our cost base to ensure we operate efficiently and effectively.

What consultations is Virgin undertaking or planning to undertake with unions about the job cuts?

The announcement of a targeted reduction of 750 roles from the Group is largely focussed on corporate and head office functions. Unions were advised of the announcement, and we have met with each of them to discuss it in detail. At this stage, the organisational rightsizing program is not focussed on unionised team members. If that were to change in the future, the necessary consultation with unions would occur.

Unions agreed to the offshoring of some Australian-based jobs as part of a previous business restructure with Virgin. What plans does Virgin have to offshore more Australian-based jobs to save on costs?

We have no current plans to offshore more Australian-based jobs to save on costs.

Can VIRGIN cut costs and still maintain safety?

Yes. Safety is our number one priority.

These are largely head office and corporate roles. This process will be run in a measured approach to ensure due consideration is applied to safety, our customers and our people.

Can VIRGIN cut costs and still maintain quality of service?

Yes. We will not step back from our focus on delivering a great customer experience. We will be focused on being the best value airline for both the corporate and leisure traveller.

Last week, we announced the appointment of Danielle Keighery as Chief Experience Officer – a new executive level role dedicated to customer experience.

What guarantees can you give regional cities that you will maintain existing routes?

All routes are under review. We understand the importance of air travel to regional communities and are committed to providing customers with a strong network of domestic destinations.

Why do you believe Virgin can make a profit for the first time in 8 years?

We have grown revenue to \$5.8 billion and have a strong and loyal customer base. We are managing our cost base to ensure some of this revenue is converted to profit for the Group.

Any announcements over the past week regarding reducing our costs are to ensure we get the business into a strong place so we can continue to deliver great value fares along with our great service every day.

What is Virgin doing to make inroads into QANTAS' dominance of the domestic industry?

We have a large share of the corporate and leisure market. Virgin Australia plays an important role in competition and has done so since it began in 2000.

Virgin Australia's domestic operation was profitable at \$133.4 million at the EBIT level, as announced last week.

What future does TIGER airlines have? Was it a mistake for VIRGIN to buy TIGER?

Tigerair plays an important role in the growing low-cost carrier market.

Given the high cost of fuel is hurting both VIRGIN and QANTAS - does VIRGIN believe the Federal Government should subsidise aviation fuel? or cap the cost?

We have a robust hedging program that hedges our exposure to fuel prices and foreign exchange out to two years. We are highly hedged in FY20.

Competition in jet fuel supply is weak at many airports. The Productivity Commission made note of this in its recent inquiry into airport regulation (p 30,31,36):

<https://www.pc.gov.au/inquiries/completed/airports-2019/draft/airports-draft.pdf>

What is the level of non-weather related cancellations on routes between Sydney-Melbourne-Canberra? How does this compare with non-weather related cancellations on the rest of the VIRGIN domestic network?

The available public information is the Bureau of Infrastructure, Transport and Regional Economics (BITRE) data. Once again, Virgin Australia Airlines was named the most on time airline for departures for FY19 and the least likely of all major airlines to cancel a flight in that same period.

What financial compensation does VIRGIN provide its customers when it cancels flights?

Flight cancellations can occur for a range of reasons including those that are outside or within our control. More information can be provided on what compensation a guest may be entitled to in our Conditions of Carriage, section 12.5:

<https://www.virginaustralia.com/au/en/about-us/legal-policies/conditions-of-carriage/>